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MAINE REVENUE SERVICES  
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**PROPERTY TAX BULLETIN NO. 7**  
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Effective August 1, 2004; Replaces June 13, 2001 Revision.

SUBJECT: **TAX EXEMPTIONS FOR VETERANS**  
REFERENCES: Title 36, MRSA §653, and c.396, PL 2004.

This bulletin has been prepared in order to outline the complex provisions relating to property tax exemption of veterans. Particular notice should be given to the different classifications of exemption so that the municipality may claim the appropriate reimbursement from the State for taxes lost by reason of such exemption.

Prior to April 1, 1978, municipalities were not reimbursed for property taxes lost due to the granting of veterans exemptions. In 1978, the Constitution was amended to reimburse municipalities not less than 50% of property tax revenue loss because of statutory property tax exemptions enacted after April 1, 1978.

1. Veterans - Definition.

- a. "Veteran" as used in this bulletin means any person who was in active service in the armed forces of the United States; and who, if discharged, retired or separated from the armed forces, was discharged, retired or separated under other than dishonorable conditions. A veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975 in the case of a veteran who served in the Republic of Vietnam, and after August 4, 1964 and before May 7, 1975 in all other cases, unless the veteran died in service or was discharged for service-connected disability after that date. Members of the American Merchant Marine in Oceangoing Service who served between December 7, 1941 and August 15, 1945 are eligible for a veteran's exemption provided they:

- (1) were employed by the War Shipping Administration or Office of Defense Transportation or their agents as a merchant seaman documented by the U.S. Coast Guard or Department of Commerce, or as a civil servant employed by the U.S. Army Transport Service or the Naval Transportation Service; and

(2) Served satisfactorily as a crew member during the period of armed conflict, December 7, 1941, to August 15, 1945, aboard

(a) Merchant vessels in oceangoing, i.e., foreign, intercoastal, or coastwise service (46 USCA 10301 & 10501) and further to include "near foreign" voyages between the United States and Canada, Mexico, or the West Indies via ocean routes, or

(b) Public vessels in oceangoing service or foreign waters.

b. Federally Recognized War Periods.

World War I - April 6, 1917 to November 11, 1918, inclusive.

World War I - (service in Russia) - April 6, 1917 to March 31, 1920, inclusive.

World War II - December 7, 1941 to December 31, 1946, inclusive.

Korean Conflict - June 27, 1950 to January 31, 1955, inclusive.

Vietnam War - February 28, 1961 to May 7, 1975 in the case of a veteran who served in the Republic of Vietnam during that period or August 5, 1964 to May 7, 1975 in all other cases; and

Persian Gulf War - August 7, 1990 to the date that the United States Government recognizes as the end of the Persian Gulf War.

2. Veterans Exemption - Veterans.

a. In General:

Estates of veterans, real and personal, including property held in joint tenancy with the veteran's spouse or held in a revocable living trust for the benefit of that veteran, are exempt up to \$5,000 (\$7,000 for veterans who served during any federally recognized war period prior to World War II) of just valuation and only in the place where the veteran is a legal resident, provided the veteran:

(1) is a legal resident of the State of Maine; and

(2) served during a federally recognized war period; and

(3) has notified in writing the assessors of the municipality in which he resides of his claim for exemption and furnished proof of his entitlement on or before April 1; and

(4) has reached the age of **62** years; or

(5) is receiving a pension or compensation from the United States Government for total disability, either service or non-service connected, as a veteran. (VA Tax Code status should be reviewed annually.)

b. Veterans Disabled in the Line of Duty:

Estates of veterans, real and personal, including property held in joint tenancy with the veteran's spouse or held in a revocable living trust for the benefit of that veteran, are exempt up to \$5,000 of just valuation and only in the place where the veteran is a legal resident, provided the veteran:

- (1) is a legal resident of the State of Maine; and
- (2) has notified in writing the assessors of the municipality in which he resides of his claim for exemption and furnished proof of his entitlement on or before April 1; and
- (3) is disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability. (VA Tax Code status should be reviewed annually.)

c. Paraplegic Veterans:

Estates of paraplegic veterans, including property held in joint tenancy with the veteran's spouse or held in a revocable living trust for the benefit of that veteran, are exempt up to \$47,500 of just valuation, for a specially adapted housing unit, and only in the place where the veteran is a legal resident, provided the veteran:

- (1) is a legal resident of the State of Maine; and
- (2) served during a federally recognized war period
- (3) has notified in writing the assessors of the municipality in which he resides of his claim for exemption and furnished proof of his entitlement on or before April 1 (such notification once made need not be repeated in subsequent years); and
- (4) is a paraplegic veteran, so-called, within the meaning of 38 United States Code, Chapter 21, Section 2101; and
- (5) has received a grant from the United States Government for such specially adapted housing.

3. Veterans Exemption – Widows and Widowers.

a. In General:

Estates of a widow or a widower of a veteran, real and personal, including property held in a revocable living trust for the benefit of that widow or widower, are exempt up to \$5,000 (\$7,000 for the widow or widower of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence. The widow or widower must:

- 1) be a legal resident of the State of Maine; and
- 2) have notified in writing to the assessors of the municipality in which the widow or widower resides of the claim for exemption and furnished proof of entitlement on or before April 1 (such notification once made need not be repeated in subsequent years)\*; and
- 3) be unremarried (the divorced wife or the divorced husband of a qualified veteran or the remarried widow or remarried widower of a qualified veteran is not eligible for exemption); and
- 4) be receiving, regardless of their age, a pension or compensation as a widow or as a widower of a veteran from the United States Government; or
- 5) be a widow or widower of a veteran who could be entitled to such exemption if living.

NOTE: When a qualified veteran dies intestate (without a will) leaving property and is survived by a widow or widower and a minor child or children, they are jointly entitled only to a single exemption of up to the limit of just valuation that applies to the service and period of the claim.

b. Widows or Widowers of Paraplegic Veterans:

In order for a widow or a widower of a paraplegic veteran to be exempt from taxation up to \$47,500 of just valuation in the place of legal residence, they must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing to the assessors of the municipality in which he or she resides of the claim for exemption and furnished proof of entitlement on or before April 1 (such notification once made need not be repeated in subsequent years); and
- (3) be unremarried (the divorced wife or the divorced husband of a qualified veteran or the remarried widow or remarried widower of a qualified veteran is not eligible for exemption); and
- (4) be the widow or widower of a paraplegic veteran, so-called, within the meaning of 38 United States Code, Chapter 21, Section 801, who served during a federally recognized war period and received a grant from the United States Government for such specially adapted housing.

4. Veterans Exemption - Minor.

Estates of a minor child of a deceased veteran, real and personal, including property held in a revocable living trust for the benefit of that minor child, are exempt up to \$5,000 (\$7,000 for the minor child of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence, he or she must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing the assessors of the municipality in which he or she resides of the claim for exemption and furnished proof of entitlement on or before April 1.\* Such notification may be made by another in the minor's behalf, such as parent or guardian (such notification once made need not be repeated in subsequent years); and
- (3) be under the age of 18.

\* Even though a widow, a widower or minor child has not made this claim and furnished proof of entitlement, the assessors may make abatement on written application within one year of commitment, provided the veteran died during the 12-month period preceding the April 1st for which the tax was committed. 36 M.R.S.A., section 841, 4.

NOTE: When a qualified veteran dies intestate leaving property and is survived by a widow or widower and a minor child or children, they are jointly entitled only to a single exemption of up to the limit of just valuation that applies to the period of service of the veteran.

#### 5. Veterans Exemption - Parents.

The estates of a parent of a deceased veteran, real and personal, including property held in a revocable living trust for the benefit of that parent are exempt from taxation up to \$5,000 (\$7,000 for a parent of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence, they must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing to the assessors of the municipality in which the parent resides of the claim for exemption and furnished proof of entitlement on or before April 1 (such notification once made need not be repeated in subsequent years; and
- (3) be unremarried (the divorced parent of a veteran or the remarried widowed parent of a veteran is not eligible for exemption; and
- (4) have reached the age of 62; and
- (5) be in receipt of pension or compensation based upon the service connected death of the parent's child.

#### 6. Amount of Exempt Valuation.

In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return to the State Tax Assessor.

## 7. Exemption Limitation.

No person shall be entitled to property tax exemption under more than one of the foregoing exemptions.

Exemptions apply only to property, or the interest in property, taxable in the place of the applicant's legal residence. Such property must be actually owned by the person eligible for exemption, by the veteran and the veteran's spouse in joint tenancy, or held in a revocable living trust for the benefit of the person eligible for exemption.

No property conveyed to any person for the purpose of obtaining exemption from taxation under the provisions of this law shall be so exempt, excepting property conveyed between husband and wife, and the obtaining of such exemptions by means of fraudulent conveyance shall be punished by a fine of not less than \$100 and not more than two times the amount of taxes evaded by such fraudulent conveyance whichever amount is greater.

## 8. Proof of Entitlement.

The statute does not spell out what constitutes proof. Evidence of entitlement should be sufficient to satisfy the assessors that the person is eligible. The following is illustrative of satisfactory evidence; but please bear in mind that reasonable proof satisfactory to the assessors is sufficient.

- (1) Copy of birth certificate together with presentation of honorable discharge papers, if the claim is based on age 62.
- (2) Certificate or letter from the Veterans Administration or other federal agency that the applicant is receiving compensation or pension from the United States Government as a veteran or widow of a veteran. (For explanation of the certificate (formerly VA Form 20-5455 or 20-5455a) furnished by the Veterans Administration see Section 9 of this bulletin). Unless this certificate or letter is furnished, the evidence relied on should indicate whether the compensation or pension is for total disability; and if not, whether it is service connected disability.
- (3) Widows, widowers, minor children, or widowed parents of veterans should present a letter from the appropriate federal agency stating that they are in receipt of a pension from the United States Government because of being such a person.
- (4) Letter from Veterans Administration or other federal agency verifying grant from the United States Government to the paraplegic veteran for specially adapted housing.

## 9. Veterans Administration Statement from Benefit Payment Records.

(Formerly VA Form 20-5455 or 20-5455a was issued; more recently a certificate or letter will be issued).

## Explanation of Codes

- (1) Statements for World War I veterans or their widowed spouse are unnecessary since all have reached age 62 or would be 62 or more if living. (See Section 8 (1) of this bulletin).
- (2) Assessors are concerned only with the Code number used by the VA. The Code will be either "1", "2", or "3".

**Code 1** indicates that the veteran is receiving compensation for a 10% to 90% service connected disability. Therefore the veteran is **not** entitled to tax exemption because of disability.

**Code 2** indicates that the veteran is entitled to property tax exemption as receiving compensation for total service connected disability.

**Code 3** indicates that the veteran is entitled to property tax exemption as receiving a non-service connected pension due to total disability.

Code 2 and 3 also apply to widows and widowers of veterans and indicate that they are entitled to property tax exemption as they are receiving compensation (Code 2) or a pension (Code 3) from the United States Government.

If individual questions arise concerning the Coding found on this form, contact:

Veterans Services Division  
Veterans Administration Center  
Togus, Maine 1-800-827-1000

NOTE: This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed, contact the Property Tax Division of Maine Revenue Services.

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